

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Direct and Counter-Cyclical Program for 2009 and Subsequent Crop Years 1-DCP (Revision 2)	Amendment 2
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Approved by: Acting Deputy Administrator, Farm Programs



Amendment Transmittal

A Reason for Amendment

Subparagraph 353 C has been amended to update the requirements for completing CCC-770 DCP.

Subparagraph 394 C has been amended to update CCC-510 requirements.

Exhibit 14 has been amended to update CCC-510 requirements and provide updated CCC-510.

Exhibit 17 has been amended because of Lean Six Sigma requirements to **not** require initials on CCC-770 DCP and to align CED and STC representative with current policy.

Page Control Chart		
TC	Text	Exhibit
	6-69, 6-70 6-151, 6-152	14, pages 1, 2 page 3 17, pages 1-6

353 Approving CCC-509**A Approving CCC-509 for Enrollment and Payment**

CCC-509 may be approved if all of the following are met:

- all persons who are producers on base acres on the farm:
 - agree to the payment shares
 - sign CCC-509
- owner signature requirements for cash-rented land according to paragraph 395 are met
- COC determines that:
 - producer and payment shares do not attempt to circumvent payment limitation rules
 - interest of tenants, sharecroppers, and landowners are protected according to paragraph 356
 - payment shares:
 - are not in dispute
 - meet division of payment guidelines according to paragraph 356.

B Revising CCC-509

Except as may be permitted according to paragraph 398, revisions to CCC-509 shall **not** be made after June 1 of the applicable year.

Note: See 2-DCP for County Office procedure for revising CCC-509.

C Completing CCC-770 DCP

*--See Exhibit 17 for information about the following:

- completing CCC-770 DCP's
- the required number of CCC-770 DCP's to complete.--*

354 COC Review, DD Concurrence, and Disapproval of CCC-509 Payment Shares

A COC Review

COC shall review each CCC-509 before approving payment shares if the payment share requested for the owner is greater than the payment share received by the owner in the previous FY. For such cases, COC shall:

- ensure that all provisions of this part are met
- document the review in the COC minutes

Notes: Payment shares can change from previous years for a variety of * * * reasons. In such instances, COC shall document the reasons the payment share changes are acceptable.

This review shall be conducted any time an owner's DCP payment shares increase from previous FY's payment share, even though the number of tenants may not have decreased.

B DD Concurrence

DD shall review all cases when both of the following apply:

- tenants, sharecroppers, and landowners agree to DCP payment shares
- COC disapproves the DCP shares.

IF DD does...	THEN...
not concur with COC	cases shall be submitted to STC for review.
concur with COC to act on CCC-509	producers shall be notified and appeal rights provided.

Section 3 Contract Requirements

394 CCC-509

A CCC-509 Signatures

[7 CFR 1412.41] Eligible producers must execute and submit a DCP or ACRE program contract and furnish supportive and necessary contractual documents to the county FSA office where the records for the farm are administratively maintained not later than June 1 of the fiscal year in which the direct and counter-cyclical or ACRE payments are requested.

B Who Must Sign

[7 CFR 1412.41] Under no circumstances will enrollment be permitted except as specified in 7 CFR 1412.41. Contracts will not be approved unless all producers sharing in contract acreage with more than a zero share have enrolled. For those producers with an interest but a zero share of contract acreage, the contract will not be approved before all producers have signed the contract or furnished supportive and necessary contractual documents (such as cash leases in lieu of signing for a zero share). A contract not having all requisite signatures of producers having more than a zero share of contract acreage on or before the enrollment deadline will not be considered submitted to CCC for any purpose and will not be acted on or approved. Those contracts enrolled by a producer on or before June 1 that were not signed by other producers according to this section will be deemed withdrawn and will not be approved. Producers on a farm are solely responsible for ensuring that enrollment occurs.

COC shall:

- only consider and act on CCC-509's that are enrolled according to this paragraph
- neither approve nor disapprove CCC-509 that does not have signatures of all producers sharing in base acres on the farm

Exception: CCC-509 with signatures of producers having zero shares may be acted on provided the provisions of subparagraph 352 J are met.

- not consider or recommend equitable relief under any provision for CCC-509 that is not enrolled.

Note: The failure of producers to sign CCC-509 is **not** a failure to comply. There can be no compliance or compliance violation on a farm that is not enrolled.

394 CCC-509 (Continued)

C Cash Lease Signature Requirements

COC shall determine whether a lease is considered a cash lease according to paragraph 352. If the lease is a cash lease, COC's shall require any of the following if the landowner or landowners receive a zero share of the crop:

- written lease, rental arrangement, or other document signed by the owner that proves that the producer has the land cash leased for FY

Notes: Keep a copy of the document in the County Office folder.

If the farm is a multiple ownership farm, and none of the tracts owned by an owner have DCP cropland on them, the signature of that landowner or proof of cash lease provisions do not apply.

- the landowner's signature on CCC-509.

Note: When both spouses are joint owners of a farm and proof of a cash lease is not provided, the signature of 1 spouse is sufficient for a "0" share, unless the spouse has notified FSA that the other spouse may not sign for both.

- *--CCC-510, but only if **all** of the following apply:

- a producer is requesting a payment to be made after June 1
- the farm was cash leased by the producer in the previous FY and the producer was designated to receive payment on CCC-509 for that same year

Exception: This provision is **not** applicable if an ownership change on the farm has occurred since the previous FY. However, in cases of undivided ownership interest, this provision is applicable if the majority of the owners have not changed since the previous FY.

- COC shall **not** approve CCC-509 until after June 1.--*

See Exhibit 14 for additional information about using CCC-510.

D No Partial Enrollments

[7 CFR 1412.41] Eligible producers who elect to enter into a contract with CCC must enroll all base acres on the farm. Enrollment of fewer than all base acres on the farm is not allowed.

CCC-510, Direct and Counter-Cyclical (DCP) Cash Rent Certification Statement

A Introduction

Any document that collects data from a producer, regardless of whether the producer's signature is required, is subject to the Privacy Act and Information Collection Procedures, including clearance of these documents by the following offices:

- National Office program area
- MSD, Forms, Graphics, and Records Section
- OMB.

No State or County Office developed form, worksheet, or other document shall be used to collect information from producers for DCP unless it is approved by the National Office DCP Program Manager **before** use.

B Completing CCC-510

Important: CCC-510 with a form date of “05-10-07” or earlier is invalid for use for 2009 and subsequent crop years.

CCC-510 is valid for only 1 contract year.

Producers that cash rent land can provide County Offices with a cash rent certification statement if the provisions of paragraph 394 about using the cash rent certification statement can be met.

* * * County Offices shall:

- **not** use any other locally developed cash rent certification forms
- complete items 1 through 3 and reproduce the cash rent certification statement locally for use by producers
- **not complete items 4 through 12.**

Note: This information must be completed by the producer and shall **not** be filled by County Offices under any circumstance.

CCC-510, Direct and Counter-Cyclical (DCP) Cash Rent Certification Statement (Continued)

B Completing CCC-510 (Continued)

Complete CCC-510 according to the following.

Item	Instruction
	The following items can be pre-filled by the County Office before the form is locally reproduced.
1	Enter the State name where the farm is administratively located.
2	Enter the county name where the farm is administratively located.
3	Enter the applicable DCP contract period.
	The following items shall be completed by the operator or tenant (lessee). County Offices are authorized to provide the producer with the farm number for the applicable farm; however the form shall be completed by the producer.
4	Print name of the operator/tenant (lessee).
5	Print name of the landowner or landlord that is leasing the acreage to the lessee.
6	Enter farm number for the applicable farm.
7	Enter number of acres being leased by the lessee.
8	Enter beginning date for the lease.
9	Enter date that the lease expires.
10	Enter information about the terms (such as cash) of the lease.
11A	Lessee or representative shall sign.
11B	If: <ul style="list-style-type: none"> the lessee signing is not signing in the representative capacity, leave blank anyone other than the lessee is signing in a representative capacity, enter the title or relationship to the lessee.
11C	Enter date signed.

C Forms Accepted Before Issuance of CCC-510

If the producer provided a cash rent certification statement before issuance of CCC-510, that statement can be accepted if **all of the following apply**:

- the producer meets the requirements of paragraph 394 about using the cash rent certification statement
- adequate information has been provided on the statement to allow COC to make an informed determination about approving CCC-509
- statement was provided by the lessee.

If a statement was accepted before issuance of CCC-510 that does **not** meet these requirements, CCC-509 shall **not** be approved until all producer signature requirements have been met.

CCC-510, Direct and Counter-Cyclical (DCP) Cash Rent Certification Statement (Continued)

D Example of CCC-510

Following is an example of CCC-510.

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This form is available electronically.		1. State Arkansas	
CCC-510 (03-10-09)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	
DIRECT AND COUNTER-CYCLICAL (DCP) CASH RENT CERTIFICATION STATEMENT		2. County Independence	
		3. Contract Period 10/1/08 - 9/30/09	
<p>NOTE: The primary authority for requesting and safeguarding the information described on this form is the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246 and any amendments to such act as may follow). The authority for requesting the following information is the Food, Conservation, and Energy Act of 2008, (Pub. L. 110-246). The information will be used to determine eligibility for program benefits. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in denial of program benefits. The information collected as a result of this form may be released to USDA employees, USDA contractors, or authorized USDA cooperators who are bound to safeguard the information under Section 1619 of the Food, Conservation, and Energy Act of 2008, the Privacy Act of 1974, the E-Government Act of 2002, and related authorities.</p> <p>This information collection is exempted from the Paperwork Reduction Act, as it is required for administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F - Administration). The provisions of criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</p>			
PART A – CASH RENT INFORMATION AND CERTIFICATION STATEMENT			
4. Operator/Tenant (Lessee) (Print):			
Benford Edwards			
5. Landowner/Landlord (Lessor) (Print):			
Michael Bonner			
6. FSA Farm Number 2610	7. Number of Acres Leased 200	8. Lease Commenced on 1/1/09	9. Lease Expires on 12/31/09
10. Terms of the Lease Agreement \$20/acre			
<p>I certify that I am a cash rent lessee, based on the definitions specified below, with the lessor identified above for the specified farm and that all information entered on this certification is true and correct. Further, I cash leased this farm in the previous fiscal year and I understand that if documentation or information is later produced that contradicts this certification, the CCC-509, Direct and Counter-Cyclical Contract, for the applicable year could be subject to termination and any contract payments issued deemed unearned. I understand that advance payments on this farm cannot be issued until after June 1 of the contract period.</p>			
11A. Signature of Lessee (By) Cindy Edwards	11B. Title/Relationship of the Individual Signing in a Representative Capacity Spouse		11C. Date (MM-DD-YYYY) 03/10/09
PART B – LEASE DEFINITIONS FOR DCP PROGRAM PURPOSES			
<p>The terms of the lease agreement between the lessee and the lessor determine whether the lease is considered as a share-rent or cash-rent arrangement for the purposes of participation in DCP. The following definitions are applicable.</p> <p>Cash Lease - A lease will be considered a cash lease if the lease provides for only a guaranteed cash payment for a specified amount, or a fixed quantity of the crop (for example, cash, pounds, or bushels per acre). If the lease provides for the greater of a determinable guaranteed amount or determinable share of the crop or crop proceeds, such agreement will be considered a cash lease. The leasing of grazing or haying privileges is not considered cash leasing for DCP purposes.</p> <p>Share Lease - A lease will be considered a share lease if the lease contains provisions that require the payment of rent on the basis of the amount of crop produced or the proceeds derived from the crop, of the interest such producer, would have had if the crop had been produced, or combination thereof.</p> <p><small>The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.</small></p>			

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CCC-770 DCP, Direct and Counter-Cyclical Program Contract Checklist

A Contract Checklist

The concept for CCC-770 DCP dated “02-05-09” is that action required for contract administration and payment processing have been separated. CCC-770 DCP includes action required only during the contract period that is applicable to CCC-509 itself.

Note: See 2-DCP for DCP payment processing provisions.

CCC-770 DCP:

- shall be used for the first five CCC-509’s completed by each employee excluding any *--CCC-770 DCP completed for any employee, including COC and STC members, at the beginning of each contract period.--*

Note: CED’s and/or STC representatives may require additional CCC-770 DCP’s if deemed necessary.

- is required for all employees, including COC and STC
- is contract specific, in that separate checklists are **not** required for each producer associated with a CCC-509
- is **mandatory**, beginning with the **2009** contract period

Note: CCC-770 DCP developed by the National Office is the **only** authorized checklist for DCP. County Offices **shall not** use State- or locally-developed checklists for administering DCP.

- does **not** negate STC, SED, State Office, DD, COC, CED, and County Office responsibility for administering all provisions applicable to DCP.

Reminder: County Offices shall ensure that eligibility has been updated according to CCC-770 Eligibility **before** payments are issued to applicable producers.

B Maintaining CCC-770 DCP

CCC-770 DCP is applicable for the contract period and is separated into 2 parts.

- Part A addresses items that shall be verified **before** issuing advance DCP direct payments.
- Part B addresses items that shall be verified **before** issuing final DCP direct and all counter-cyclical payments.

CCC-770 DCP, Direct and Counter-Cyclical Program Contract Checklist (Continued)

B Maintaining CCC-770 DCP (Continued)

* * * CCC-770 DCP should be filed in the contract folder and updated throughout the contract period as required action is completed.

Example: Producer A files CCC-509 and all signatures were obtained in January 2009; however, FSA-578 is **not** completed until June 2009. The questions about enrollment and signatures can be completed when the contract is filed; however, the questions about whether FAV's have been planted on the base acreage **cannot** be completed until a complete acreage report is filed.

C Retention Period

All CCC-770 DCP's shall be retained in the DCP contract folder with CCC-509, according to 25-AS, Exhibit 33.6. If a new CCC-770 DCP is initiated because of a revision to CCC-509, the original CCC-770 DCP shall be retained, along with the revised CCC-770 DCP.

Destroy CCC-770 DCP when CCC-509 is destroyed.

***--Note:** Because of several "Hold" litigations, no records are to be destroyed until further notice. Records may be sent to approved FRC's for archival.--*

D County Office Action

County Offices shall check (✓) the "Yes" or "No" column for all questions on CCC-770 DCP, with the following exceptions:

- a response is **not** required for items 14A, 14B, and 14C unless the answer to item 14 is "Yes"
- "N/A" shall be entered in the "No" column for items:
 - 14B and 14C if the answer to item 14A is "No"
 - 15, if CCC-509 was approved for advance payment processing and there have **not** been any changes to CCC-509 that COC approved.

***--The County Office employee that completes an item on CCC-770 DCP:**

- is certifying that the applicable program provisions have, or have **not**, been met
- shall sign and date CCC-770 DCP.--*

Note: As an alternative, County Offices may opt to review all items after COC has approved CCC-509 * * *.

CCC-770 DCP, Direct and Counter-Cyclical Program Contract Checklist (Continued)

D County Office Action (Continued)

--Once a question in the applicable part of CCC-770 DCP has been answered in a manner that-- supports the approval of the applicable CCC-509, for items:

- 5 through 9, the preparer shall sign item 10
- 13 through 15, the preparer shall sign item 16.

Note: By signing as the preparer, the employee is **not** certifying that they have reviewed all items in the applicable part of CCC-770 DCP. * * *

Additionally, County Offices shall:

- initiate CCC-770 DCP, if CCC-509 is revised, as follows:
 - at any point during the contract period and CCC-770 DCP was previously completed for the farm
 - as 1 of the first five CCC-509's completed by that employee
- **not** enter the COC approval date in the automated system if any item on CCC-770 DCP is answered "No", **except** item 14
- ensure that the automated system is updated immediately by entering or removing the COC approval date, as applicable, to ensure that payments are timely and are **not** issued in error
- see applicable handbook provisions as specified for additional information.

Reminder: County Offices **cannot** rely solely on using CCC-770 DCP for administering DCP. All program provisions **must** be met, **not** just the items included on CCC-770 DCP. CCC-770 DCP is a tool to assist with program administration and includes the major areas where deficiencies have been identified, but it is **not**, nor is it intended to be, inclusive of all DCP program provisions.

CCC-770 DCP, Direct and Counter-Cyclical Program Contract Checklist (Continued)

E CED Action

CED or their designated representative shall do the following:

- *--spot-check the first five CCC-770 DCP's completed by each FSA employee
- randomly spot-check a minimum of five CCC-770 DCP's for each FSA employee participating, including STC and COC members--*

When spot checking information certified on CCC-770 DCP, CED's or their designated representative shall:

- review each part of CCC-770 DCP that has been completed
- indicate whether or **not** they concur with the certification of items 5 through 9 and/or items 13 through 15, as applicable
- sign and date item 11 and/or 17, as applicable
- report to COC and the STC representative any CCC-770 DCP in which CED does **not** concur with the preparer's determination.

Example: Producer A is the owner-operator of FSN 1 and there are no other producers associated with the farm. Producer A files CCC-509 for FSN 1 on January 10. The DCP program technician completes items 5 through 9 and the COC approval date is updated in the DCP web-based system. CCC-509 is pulled for spot check on March 15.

Since only items 5 through 9 have been completed on CCC-770 DCP, CED shall review CCC-509 to ensure that all program provisions have been met and that the items on CCC-770 DCP have been completed as indicated. CED shall then indicate whether they concur or do **not** concur with the preparer, sign in item 11A, and enter the date of the review in item 11B.

CCC-770 DCP, Direct and Counter-Cyclical Program Contract Checklist (Continued)

F STC or Designee Spot Checks

*--STC or designee shall spot-check a minimum of 5, **not** to exceed ten, CCC-770 DCP's spot-checked by CED or designee in each Service Center.--*

STC or their designee shall submit the results of the spot checks to SED.

When spot checking information certified on CCC-770 DCP, STC or their designee shall:

- review each part of CCC-770 DCP that has been completed
- indicate whether or **not** they concur with the certification of items 5 through 9 and/or items 13 through 15, as applicable
- shall sign and date item 12 and/or 18, as applicable.

G National Report

SED's shall report the **total** number of the following to the National Office as of September 30 of each FY:

- CCC-770 DCP's completed
- CCC-770 DCP's spot-checked by CED
- CCC-770 DCP's spot-checked by STC or their designee
- "Do Not Concur" signed by CED
- "Do Not Concur" signed STC or designee.

--Submit the national report, in the format provided by the National Office, no later than October 31 each FY.--

CCC-770 DCP, Direct and Counter-Cyclical Program Contract Checklist (Continued)

H Example of CCC-770 DCP

Following is an example of CCC-770 DCP.

This form is available electronically.

CCC-770 DCP (02-05-09)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		1. State Name	2. County Name
DIRECT AND COUNTER-CYCLICAL PROGRAM CONTRACT CHECKLIST				3. Crop Year	4. Farm Number
<i>County Offices shall ensure that eligibility has been updated according to CCC-770 Eligibility before payments are issued for applicable producers.</i>					
PART A – FOR DCP DIRECT ADVANCE PAYMENTS					
Office Staff Actions:			Handbook or Other Reference	YES	NO
5. Have all signatures, or other supporting documentation such as a cash lease or cash rent certification statement, been obtained for all tenants and owners associated with the farm?			1-DCP, Revision 2 paragraphs 352-402		
6. Has signature authority been verified for all signatures on the CCC-509?			1-CM, Part 25		
7. Was the contract enrolled by June 1 of the applicable contract period?			1-DCP, Revision 2 paragraph 394		
8. Have the division of payment provisions been satisfied for all producers sharing in the base acres on the CCC-509?			1-DCP, Revision 2 paragraphs 352-358		
9. Is the CCC-509 signed, dated, and approved by the COC or an authorized designee?			1-DCP, Revision 2 paragraph 353		
10A. Signature of Preparer	Date	10B. Signature of Preparer	Date		
10C. Signature of Preparer	Date	10D. Signature of Preparer	Date		
11. I concur/do not concur the above items have been verified and updated accordingly:			<input type="checkbox"/> Concur	<input type="checkbox"/> Do Not Concur	
11A. CED Signature for Spot Check			11B. Date		
12. I concur/do not concur the above items have been verified and updated accordingly:			<input type="checkbox"/> Concur	<input type="checkbox"/> Do Not Concur	
12A. DD Signature for Spot Check			12B. Date		
PART B – FOR DCP DIRECT FINAL AND COUNTER-CYCLICAL PAYMENTS					
Note: In addition to the items below, the items in Part A must be completed before final direct and any counter-cyclical payments are issued.					
Office Staff Actions:			Handbook or Other Reference	YES	NO
13. Does each producer sharing in the base acreage control enough effective DCP cropland to support their share of the DCP base acres on the CCC-509?			1-DCP, Revision 2 paragraph 355		
14. Are FAV's planted on the farm?			1-DCP, Revision 2 Part 8 4-CP		
14A. If "YES", are the FAV's planted on DCP base acreage?					
14B. If "YES", do any of the FAV exceptions apply?					
14C. Has the acre-for-acre reduction and FAV violation, as applicable, been recorded in the compliance system?					
15. If not approved for advance payments, is the CCC-509 signed, dated, and approved by the COC or an authorized designee?			1-DCP, Revision 2 paragraph 353		
16A. Signature of Preparer	Date	16B. Signature of Preparer	Date		
16C. Signature of Preparer	Date	16D. Signature of Preparer	Date		
17. I concur/do not concur the above items have been verified and updated accordingly:			<input type="checkbox"/> Concur	<input type="checkbox"/> Do Not Concur	
17A. CED Signature for Spot Check			17B. Date		
18. I concur/do not concur the above items have been verified and updated accordingly:			<input type="checkbox"/> Concur	<input type="checkbox"/> Do Not Concur	
18A. DD Signature for Spot Check			18B. Date		

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